new importers & exporters

INFORMATION PACK

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Note from Sales & Marketing

If you are reading this booklet you are considering either importing or exporting and entering into the world of international trade. There are various implications, complications, restrictions and considerations that you need to be aware of before beginning this process. There will be no way to cover all of them in one booklet, however, as a guide I consider the information held in this booklet to be the most important. This information has been collated from relevant websites, senior staff and my own experiences. Please note we recommend you do your own research and not use this booklet solely as your source of information.

Good Luck!

Angela Gambell

What is International Trade and International Terms of Trade

International trade is not much different to domestic trade, it still involves a buyer and a seller and the motivation to on sell those products for a profit. The main difference however is that international trade is typically more costly than domestic trade. The reason is that a border typically imposes additional costs such as duty, other taxes, tariffs and time costs due to border delays. Further additional costs can also be associated within the destination country, at ports and final delivery destination.

So, when dealing in international trade and the complications surrounding different countries how is the importer and or exporter protected?
Who organises what to get the goods moving?
How do I even start?

You start with a thorough understanding of the International Commercial Terms (more commonly known as Inco Terms or Terms of Trade); which are a set of pre-defined commercial terms published by the International Chamber of Commerce (ICC). These three-letter trade terms relate to common international contractual sales practices. They are a series of rules, intended to primarily and clearly communicate the tasks, costs and risks associated with the transportation and final delivery of goods sold internationally. They clearly define who is responsible and where the risk transfers from seller to buyer.

The Incoterms/rules are accepted by governments, legal authorities, and freight practitioners worldwide. They are intended to reduce or remove altogether uncertainties arising from different interpretation of the rules in different countries. As such they are regularly incorporated into sales contracts.

When discussing International Terms of Trade in the initial phase of your intended international purchase, the supplier will generally let you know what particular term they sell under.

On the following page you will find a chart that clearly defines who is responsible for certain tasks along the supply chain for different terms of trade.

SHIPPING INCO TERMS CHART

Obligations under term	EXW	FCA	FAS	FOB	CFR	CIF	CPT	CIP	DES	DEQ	DAP	DDP
EXW Inland freight at origin; from factory to the carrier or frontier	B	S	S	S	S	S	S	S	S	S	S	S
Export customs clearance and export documentation	B	S	S	S	S	S	S	S	S	S	S	S
Payment of customs charges and taxes at origin	B	S	S	S	S	S	S	S	S	S	S	S
Loading to the main carrier and port charges at origin	B	S	B	S	S	S	S	S	S	S	S	S
Main carriage/freight	B	B	B	B	S	S	S	S	S	S	S	S
Cargo (marine) insurance	B	B	B	B	B	S	B	S	B	B	S	S
Unloading from the main carrier and port charges at destination	B	B	B	B	S	S	S	S	B	S	S	S
Customs clearance at destination	B	B	B	B	B	B	B	B	B	S	B	S
Payment of customs duties and taxes at destination	B	B	B	B	B	B	B	B	B	S	B	S
Cartage from port / carrier to Buyer at destination	B	B	B	B	B	B	S	S	B	B	S	S
Other costs and risks at destination	B	B	B	B	B	B	B	B	B	B	S	S

ABBREVIATION MEANINGS

B = Buyer **S** = Seller

EXW = Ex Works
FCA = Free Carrier
FAS = Free Alongside Ship
FOB = Free On Board
CFR = Cost and Freight
CIF = Cost, Insurance and Freight
CPT = Carriage Paid To
CIP = Carriage and Insurance Paid To
DAF = Delivered At Frontier
DES = Delivered Ex Ship
DEQ = Delivered Ex Quay
DAP = Delivered At Place
DDP = Delivered Duty Paid

Marine Insurance is the responsibility of the importer except under CIF & CIP - Stockwell's now offer Marine Insurance

New Importer Guide

Now that you have a good grasp of international trade and the International Terms of Trade it is now time to progress discussions with your intended supplier of goods; following is a quick guide to this process.

Source a reputable supplier/s who allows you to export on your terms. Those terms usually being FOB from most countries. That is you have more control over who ships your goods and how much you pay for freight and port charges in Australia. (FOB – you take responsibility of your goods from the Ships rail in the country of origin to your door).

Under FOB you will be required to obtain your own Marine Insurance broker, or we can give you the details of our broker. Alternatively most insurance companies such as your own home and contents insurer can offer you marine insurance, you just have to ask.

Make sure all the necessary paperwork rules and regulations for your commodity are both understood by yourself, and your supplier. This ensures smooth clearance in Australia, and limits any delays through customs and quarantine.

All wooden packaging and or products must be treated and documented in accordance with DAFF requirements prior to entry into Australia. Don't trust your supplier will understand DAFF requirements, make it clear to them, especially if your goods are lacquered or painted. Treatment needs to be done prior to this application.

Stockwell International will liaise with your supplier to organize your freight

STANDARD PAPERWORK REQUIREMENTS
(Importers responsibility to assist chasing)

An original Bill of Lading (or Telex / Express release)

Commercial Invoice

Packing List

Treatment Certificate (with a numerical link to your shipment)

Quarantine Packing Declaration

VARIATIONS TO STANDARD PAPERWORK

Hazardous Goods (MSDS Required)

Food Stuffs (Import permits required)

Motor Vehicle (Import permits required)

Paperwork to be given to Stockwell's in preparation to clear your goods through customs.

You will receive an ETA for your goods, along with vessel information, which will be followed up by Stockwell International staff.

Once your goods have arrived into Australia you can expect release (sea freight) of your LCL (less than a container load) cargo in around 5-7 days, and FCL (full container load) within 3 days. Airfreight is generally released shortly after arrival (1-2 days). Payment of Freight, duties and GST is expected before release of goods. Transport to your door can be arranged via yourself or by Stockwell International.

You may only have your full container for 7 days from the arrival of the vessel, not when the stevedores make the container available to the freight forwarder. Be sure to get it unpacked and returned ASAP to avoid further costs in detention/demurrage.

IMPORT REGULATIONS TO CONSIDER

So you have now located a reputable international supplier and have discussed the intended International Shipping Terms. You now need to understand what sort of restrictions, licences, permits or quarantine issues are associated with your product.

For information on restrictions on imports or fumigation go to *www.daff.gov.au*. All wooden/bark/dunnage materials, pallets or packaging need to be treated prior to import into Australia.

For information on customs issues such as duties go to *www.customs.gov.au*. But as a general guide most products are 5%, apparel is 10% and alcohol and tobacco are higher and also have different taxes applied.

If you are importing a vehicle for use on Australian roads you will require licences and permits, please go to *www.infrastructure.gov.au* to find out what you will need prior to import (vehicles include motor cars, motor bikes, trucks, boat trailers, caravans).

To assist with working out your duties, you can visit *www.dutycalculator.com*. Don't forget in your calculations that you are also charged import GST.

If you are importing a commodity that will be used by the general public or children you will have to meet Australian Standards and you can find out about your product requirements by emailing *mail@standards.org.au* or visit *www.standards.org.au* for further information.

If you are importing goods that will be consumed by the Australian public you will need to ensure that those products meet Australian food standards and they may require permits/licences as well. Please visit *www.foodstandards.gov.au* for further information.

If you are interested in either the import or export of wine please visit *www.wineaustralia.com* for further information. There are restrictions on this product for both imports and exports.

If you are interested in the exportation of meat please visit *www.daff.gov.au/aqis/export/meat* for restrictions on these products, including permit and other related matters.

If you are an overseas company and want to distribute within Australia directly you will need to visit *www.business.qld.gov.au/smartlicence* or visit the following link *http://www.asic.gov.au/asic/asic.nsf/byheadline/Foreign+Companies?opendocument#who*

IMPORTANT NOTE: As an importer, it is your responsibility to understand the requirements of your own products. Most new importers are hit with additional charges at destination due to their lack of knowledge. Additional charges can be in the form of Wharf Storage (charged by the stevedores) when cargo remains on the port waiting for paperwork for clearance; fumigation when incorrect treatment has been done or not done at all or done prior to painting/lacquering; container detention/demurrage when you have the container longer than the shipping line allows, to name a few.

Now that you have all the information about your particular product, you are ready to begin negotiations with your supplier regarding the international movement of your cargo.

New Exporter Guide

Source a reputable buyer of your product and negotiate your payment and shipping terms.

Make sure all the necessary paperwork for your commodity is understood by yourself and the buyer or customer. This ensures smooth export from Australia, and limits any delays through customs in the destination country. You need to know the import regulations in the country you are exporting to.

STOCKWELLSWILLASSISTTOORGANISE YOUR SHIPPING

You will supply a commercial Invoice

Packing List

Fumigation Certificate

Quarantine Packing Declaration

VARIATIONS TO STANDARD PAPERWORK

Hazardous goods

Food stuffs/Meat

Motor Vehicle

Alcohol/Spirits

Paperwork to be given to Stockwell's in preparation to clear your goods through customs. Please make sure you know if permits or specialised paperwork is required for your export

You will receive an ETD for your goods, along with vessel information, which will be followed up by Stockwell International staff. You are more likely to have a better outcome with your export, if you leave the customs details to your buyer. In other words you are better off to sell your goods CIF.

EXPORT TIP

Certain commodities leaving our shores will need permits to exit the country as already discussed, you will need to have any permits in place prior to the goods leaving Australia or the goods will either be returned back to Australia or destroyed at the country of destination at your cost. A permit organised after the goods have left the country will not be accepted.

Every country has different laws; it is your job as the exporter to find out what those laws will be. It is always best to sell your exported goods under CIF/CFR terms', which leaves all the duties and tax implications to the buyer in the country of destination.

Export Concessions

DUTY DRAWBACK SCHEME

Customs has a number or assistance schemes available for Australian industry operating in overseas markets. The Duty Drawback Scheme enables exporters to obtain a refund of Customs duty paid on imported goods where those goods will be treated, processed, or incorporated in other goods for export; or are exported unused since im-portation.

Who can claim Drawback?
Only the person who is the legal owner of goods at the time the goods are exported, or a person to whom this right has been assigned, is eligible to make a claim for Duty Drawback.

Can a refund of GST be claimed using Duty Drawback?
There is no refund of GST through the Duty Drawbacks Scheme.

What goods are eligible for Duty Drawback?
Duty drawback is available on most goods on which customs duty was paid on importation and which has been exported.

What goods are not eligible for duty Drawback?
Duty drawback can't be claimed where:

- Goods have been used in Australia other than for the purposes of inspection, exhibition, processing, treatment or further manufacture (i.e. goods can't be claimed if used in the filtration or as manufacturing machinery of further manufactured product)
- Goods are valued at exportation at less than 25 per cent of their imported customs value; or
- The import duty paid on the goods has been refunded.

Can I apply for a duty drawback on tobacco products that do not meet plain packaging requirements?
Yes. More information can be found on the tobacco refunds/drawbacks page.

How long do I have to lodge a claim for Duty Drawback?
For goods exported on or after 21 October 2006, claims can be lodged on the day the goods were exported or within a four (4) year period from that date. (Please note goods exported prior to 21 October 2006 are subject to a 12-month time limit for claims).

What is the minimum amount I can claim for Duty Drawback?
The minimum claim per application for duty drawback is A $100.

Requirements to lodge a claim
You must:

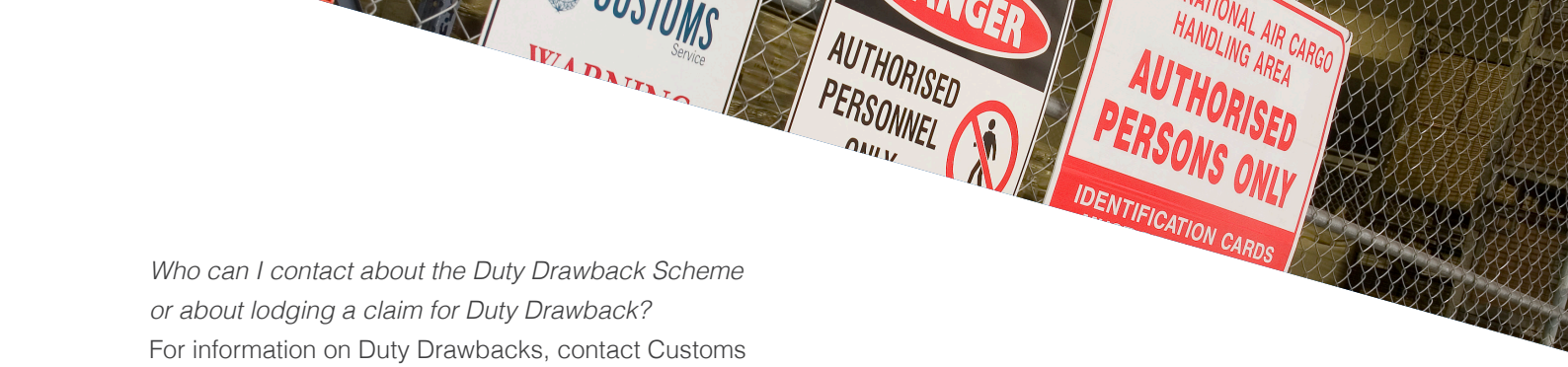
- Register your Australian Business Number with Customs or obtain a Customs Client Identifier (CCID);
- Obtain an Export Declaration Number (EDN) for every line on the Claim for Drawback; and
- Provide your bank details when completing the drawback claim form or lodging electronically into the Integrated Cargo System.

How do I claim a duty Drawback?
Complete a Claim for Drawback form (B807) and return by fax or mail.

From 23 March 2010, drawback claims can be lodged electronically via the ICS (Customs Interactive (CI) only).

Those who are first time users to the ICS should access the following link for further information on how to communicate electronically:
http://www.cargosupport.gov.au/site/page5952.asp

A user manual is available to assist those lodging claim electionically. The Drawbacks manual can be found at:
http://www.cargosupport.gov.au/webdata/resources/files
ExportConcessionsDutyDrawbackScheme Nov2012.pdf



Who can I contact about the Duty Drawback Scheme or about lodging a claim for Duty Drawback?
For information on Duty Drawbacks, contact Customs on 1300304322 Monday to Friday between 8:30am to 5pm (Eastern Standard time) or email: drawbacks@customs.gov.au

The processing of duty Drawback claims is carried out by Customs in Melbourne.

Claims may be faxed to (03) 9244 8440 or mailed to:

Drawback Section
Trade Services Branch
Australian Customs Service
GPO Box 2809AA
Melbourne Victoria 3001

Please note that this information is intended as a guide only. Full details on the operation of the Duty Drawback Scheme are contained in the Customs Act and associated regulations.

Who can I contact about claiming a drawback of Excise Duty?

For information on drawback of excise duty, please contact the Tax Office on 132 478.

Wine Equalisation Tax

KEY FEATURES OF WET

Imported wine is subject to wine equalisation tax information as follows:

- The WET tax rate is 29%
- Wet is paid to the Australian Taxation Office (ATO) or The Australian Customs Service (Customs) by wine manufacturers, wine wholesalers and wine importers.
- WET is normally included in the purchase price of wine when supplied to retailers such as bottle shops, hotels, restaurants and cafes. However, if a retailer on-sells (acts as a wine reseller) then WET also applies in this case.
- WET does not apply to exports of wine.
- WET is levied on wholesale transactions. The tax is calculated on the last wholesale price.

EXAMPLE CALCULATION OF WET

Wine Supplies	$100
WET (29%)	$29.00
WET Inclusive Price	$129.00
GST (10%)	$12.90
Total	**$141.90**

China Supplier Negotiations

This part of the process forms the basis to the rest of your movements and involvement with freight forwarders and other logistics companies. Do this incorrectly and you could be the proud owner of goods you never ordered in the first place, or worse the person responsible for paying all debts associated with the import, whether they were what you expected or not.

When dealing in China it is imperative you form some sort of relationship whether this be by a very worthy trip over, or a factory audit and some sort of due diligence. Of course if you are a smaller importer these things may be out of your budget, so be wise and ask a few very important questions.

- Do you currently export goods to Australia? If so can you give me any names for referral purposes?
- Are you able to organise your own export paperwork, including any fumigation requirements I need for import into Australia?
- Should a potential supplier want complete payment upfront, and not be willing to negotiate, I suggest you go elsewhere. A willingness to stagger the payment suggests they are willing to negotiate and at least be good on their word and deliver goods as specified.
- I usually instruct my clients on at least 40% up front (depending on the value of their goods) 20% once the goods have been made and a photo supplied, then 40% once goods have been received in Australia. When a relationship is being formed based on payment terms you need to ask if they are also willing to do a Letter of Credit for the first couple of shipments. Letter of Credit puts the ownership of the goods with your supplier's bank and your own bank. Once the goods have been received and the final payment made, the bank will release the Bill of Lading and the ownership goes back to you.
- The supplier will also want to organise your freight, as they sometimes receive kick backs in the form of discounted shipping rates that they will never pass onto you. Out of China I would recommend nothing but FOB terms. USA is Exworks only. Everywhere else is either Ex Works or CIF (or its equivalent).
- You will always have to weigh up the term being offered to you with your overall freight costs in Australia, sometimes a good freight deal overseas is not so good in Australia because of the shipping lines associated charges here. Also most people choose CIF, DAP, and DDP purely for the perceived lack of work involved for them.
- When exporting your goods to an unknown buyer, I would suggest putting all costs associated (including freight and any export charges) on the one invoice with the goods and get payment before exporting.

MORE ON QUALITY ASSURANCE AND DUE DILIGENCE

Having your products inspected in China before they leave the factory gives you greater control over your goods. Our audits include but are not limited to full factory audits, in-production inspection, final article inspection, container loading supervision and social compliance audit.

With an inspection on large new orders, importers will feel reassured that the products they've ordered will meet their expectations. When paying for a QA or Due Diligence inspection you will receive a full report (including photo's) in less than 48hrs giving you both control and peace of mind.

Stockwell International can order these all through out China for a price on application.

General guide on cost for inspections are as follows;

1. Final article inspection $799
2. In production inspection $799
3. Container loading inspection $799
4. Factory Audit $1200

Depending on location of factory and detail of QC report required these charges may vary.

Common Terms

DAFF (formerly AQIS)

Department of Agriculture, Fisheries and Forestry - a government body protecting Australia from contaminated fauna and flora.

BAF

Bunker Adjustment Factor - adjusts the freight to reflect current cost of bunkers (fuel for ships).

B/L

Bill of Lading – acts as a receipt for the cargo and contains the terms of the contract of carriage and is a document of title to the goods.

Cartage

Refers to the intra-city haulage of goods on drays (heavy side less cart) or trucks.

Consignee (CNEE)

The party to whom a consignment is dispatched, having legal title to the goods.

Consignor (CNOR)

The sender of the goods

Detention/Demurrage

7 to 10 days (depending on the shipping line) to get the container off the wharf, and returned to the empty container yard. Otherwise the client will be charged on a daily basis for extended hire of the container.

D/O

A document given to the party surrendering the original Bill of Lading, authorizing them to take delivery of the goods.

Duty

Is a particular percentage (depending on commodity) of the FOB value, which is paid to the government. The FOB value is the cost of the goods plus any other charges to get those goods on to a vessel.

ETA

Estimated Time of Arrival – indicates the estimation of the date/hour, the carrier believes the cargo, vessel or container will arrive at a nominated point/port.

ETD

Estimated Time of Departure – see above.

FCL

Full Container Load – an arrangement whereby the shipper utilises all the space in a container which he packs himself.

GP

General Purpose – a closed steel container for the carriage of all types of general, non-hazardous cargo. 20’ & 40’ available in GP.

GST

Goods and Service Tax – worked out as 10% of the CIF value + the duty amount. The CIF value is the cost of goods + marine insurance + freight amount (cost to get cargo to destination port) + duty.

House Bill of Lading

Issued by a freight forwarder or consolidator covering a single shipment containing the names, addresses and specific description of the goods shipped.

LCL

Less than Container Load – when a parcel is too small to fill a container, it is grouped by the carrier at a ‘CFS’ depot, with other compatible cargo, for the same destination.

Packing List

Document required by the buyer and Customs, indicating content being shipped, or contents of each package.

Packing Declaration

Mandatory document required by DAFF which states how the shipment has been packed with regards to straw, timber and bark. The packing declaration must be completed in full including a numerical link i.e. container or bill number and issued on supplier's own letterhead to be accepted by DAFF.

POD

Place of Discharge – the place where the goods are discharged and carriers liability ends. It can also mean; Proof of Delivery – a signed receipt acknowledging delivery.

POL

Port of Loading – the port at which accepted cargo is loaded onto a vessel.

Reefer

A refrigerated container.

TEU

Twenty-Foot Equivalent Unit – ie. 1 x 20ft = 1 TEU, 1 x 40ft = 2 TEU.

THC

Terminal Handling Charge – a charge for handling containers at ocean terminals/wharves.

Wharf storage

For FCL the transport company will have 3 days to pick the container up off the wharf (only after the wharf has given an availability to pick up the container). If pick up of container is delayed for any reason (such as incorrect paperwork, or no paperwork) additional storage on the wharf is charged.

For LCL, this is different as these goods go to an unpack depot (after the vessel arrives and avilability is given) to unpack and sort out the mixed freight, this can take up to 7 days to become available for pick up, however you then only have around 1-2 days to arrange pick up of the goods before storage is charged from the unpack depot.

NOTES

Australian Customs & DAFF Charges

WHAT IS TAILGATE?

All full containers being delivered outside the metropolitan area of the port of destination must undergo a quarantine tailgate inspection. That is a DAFF officer (s) opens the container doors . A visual inspection is to verify the integrity of the goods the packing and the cleanliness of the container. Fees and charges apply.

UNFORSEEN AND UNQUOTABLE CHARGES

Any container entering Australia may be subject to a random customs hold , they are completely random, cannot be avoided and no additional charges will be incurred unless something untoward is found in the container. The only issue here is a time delay.

Occasionally an import is subject to random paperwork inspection by DAFF and should incorrect information be found an inspection will be necessary, at the importers cost. This will generally relate to misleading or incorrect information supplied on the paperwork that comes with your shipment and/or if they find anything that is not supposed to be in the container.

Once your container arrives into Australia you have 3 days to clear the goods, if you do not have the container removed from the port in this time you will be charged storage by the stevedoring company. Delays here can sometimes be from not having correct paperwork or the container is being held by DAFF. You will then also have between 7-10 days to then have the container unpacked and returned to the empty container yard, if the container is late you will then be charged detention by the shipping line.

Unfortunately incorrect or late docs will most definitely result in either storage or detention and this will be at the cost of the importer. So it is best to start chasing your supplier for correct information from the beginning.

It would also be wise, if the goods are not under a LC (letter of credit) to negotiate an “express release” of your paperwork with your supplier. This means all goods can be released by the freight forwarder or shipping company without the need for an original bill of lading.

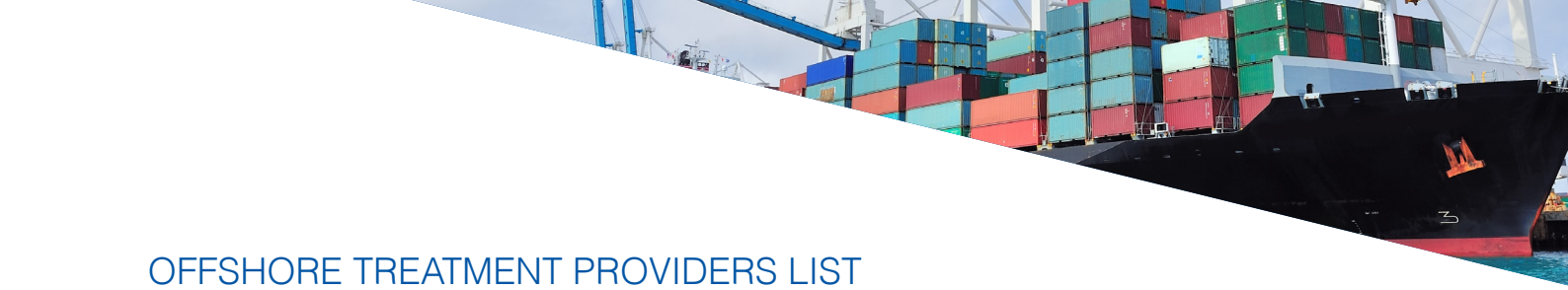
OVERSEAS TREATMENTS

Certain overseas commodities must be treated before they are able to be imported into Australia. These treatments must be DAFF approved, and if they aren't, DAFF reserves the right to export all goods, destroy, fumigate and/or unpack at the importers cost.

Some of the most commonly imported goods that must be inspected and may require import permits;

- Used agricultural machinery
- Used motor vehicles
- Used mining equipment
- Bamboo and straw articles
- Nuts and seeds
- Canned meats
- Rice
- Cheese
- Scrap metal
- Foodstuffs, coffee beans
- Dried or fresh fruit
- Herbs and spices
- Stock foods – plant and animal
- Household and personal effects
- Matting – straw and seagrass
- Dried and fresh plant and plant material
- Unprocessed agricultural produce
- Timber including articles made of timber or that have timber included in the manufacture, such as footwear with wooden heels or wedges
- Articles of straw
- Goods likely to be contaminated – especially with soil and animal and plant material, such as vehicles and machinery.

NOTES



OFFSHORE TREATMENT PROVIDERS LIST

CHINA
(Excluding Hong Kong)
As at 27 April 2005

All certificates from treatment providers in China must be endorsed by the Entry – Exit Inspection and Quarantine Bureau of the People's Republic of China (CIQ SA). This endorsement is the CIQ logo in the top left corner of the certificate; the certificate must bear the stamp of the issuing branch. If treatment certificates from China are not endorsed with the CIQ logo they are unacceptable.

DAFF does not accept treatment certificates issued by private treatment providers located in Hong Kong for treatments performed in China. Certificates issued by private treatment providers for treatments performed in China are unacceptable.

Please note: It is now a requirement to have original fumigation certificates from China as it includes an inbuilt security feature that shows up when photocopied under a certain setting. Certificates must have a numerical link to the shipment or it will be rejected.

Treatment certificates from other countries require them to clearly state the treatment used, the date they were treated and if both the packaging and the commodity have been treated.

NOTES

Accounts

NEW CLIENT OR TRIAL SHIPMENTS

For a new client, the first shipments MUST be payment up front regardless.

This is until an established relationship with the client is formed. Goods will not be released until payment is made.

After a relationship has been established, all DUTY / GST / FREIGHT and OVERSEAS charges must still be paid upfront.

Australian landed charges however will be able to be paid in 7 – 10 days.

EXPORTS

All payment for exporting must be paid prior to exporting has begun. This is to ensure we are paid, as once the freight is overseas; it is extremely difficult to get payment out of the client.

ACCOUNT APPLICATION

This to ensure we capture all business information for customs, as well as for our accounts department.

It is also used for general accounting, billing and invoicing purposes, even if payment is upfront, as we need to record payment for GST and audit purposes. It is not used for applying for any sort of credit terms. We do not offer credit.

Transport Terms

Detention – 7 to 10 days (depending on the shipping line) to get the container off the wharf, and returned to the empty container yard. Otherwise the client will be charged on a daily basis (less time for refrigerated containers).

Storage – 3 days to pick the container off the wharf (after the day of arrival). If it is delayed, charges to the client will then occur. For LCL, this is different, as other clients goods are packed in the container, and the container is not assigned to Stockwell's.

Delay at consignee – this mainly occurs when a trailer is used. However, it may occur with a side loader. Whenever our trucks are delayed at clients premises we charge this fee after the first hour.

Consolidation – different suppliers in different areas becoming one shipment. It is where the suppliers (or consignee, depending who is paying for it) will send all shipments to one focal point, and then it is shipped as one shipment. It will then be shipped as an LCL or FCL depending on how big the shipment is.

RECOMMENDED ROAD LIMITS

Trailer – 24 ton maximum (inlcuding container weight)

Side loader – 20 ton maximum (inlcuding container weight)

However, all side loaders to operate safely / and to resist breakage should only carry a **maximum** 18 – 19 ton.

	STANDARD 20'	STANDARD 40'	HIGH CUBE 40'
INSIDE LENGTH	5.89 m	12.01 m	12.01 m
INSIDE WIDTH	2.33 m	2.33 m	2.33 m
INSIDE HEIGHT	2.38 m	2.38 m	2.69 m
MAX. CARGO	21,727 kg	26,780 kg	26,512 kg

Things to consider when working on indicative costing

- It is advisable if you are committing a large amount of financial resources and time to your product, you should think about organising a sole distribution agreement with your overseas supplier, to protect your ideas your product and the rights to its ownership in Australia.
- Tax and Duties on imported products are worked out on the following formula's
- Duty is a particular % (depending on the commodity) of the FOB Value. The FOB Value is the cost of the goods, plus any overseas FOB charges. FOB Charges being any cost to get those goods on to a vessel. Usually if the importer has purchased the goods FOB, they can assume the value on their commercial invoice is the FOB value. Duty is a % of that amount.
- GST is 10% of the combined values of CIF & Duty. The CIF Value is the cost of the goods, the marine insurance (which insures the goods in transit), the freight amount to get to Australia, then you add the duty amount.
- BAF (which is a fuel charge or what we call Bunker Adjustment Factor) and Ocean Freight rates are volatile and change almost daily, I would suggest a 10% - 15% buffer on both as a precaution.
- Any Quarantine charges such as DAFF inspections or washes are charged at cost, transport to the DAFF inspection site will also be charged.
- Importers are required to have permits from time to time and these should be considered prior to import.
- Given that new importers can sometimes have limited cash flow, it is a good idea to consider deferring your GST on your imported products, this can be arranged by your accountant but more information can be sort at; http://www.ato.gov.au/businesses/content.asp?doc=/content/13193.htm

General info

Dimentions/Weight - Make sure when providing dimensions and weight for quotes that you check they aren't going to be palletised as this s increases the volume/weight,.

Transport - Be sure to understand your delivery requirements. Is delivery to a business or residential address? Is there appropriate access for a container truck or restrictions, such as power lines etc? What type of vehicle is required? A side loader (drops container to the ground) or a trailer (container remains on the truck), a HIAB (a small truck or lorry with a one jointed crane attached behind the cab), these are all charged differently. Unloading facilities, do you have a forklift, overhead crane or is it hand unload or driver assist?

If the container is very heavy it will have to be sent via a standard trailer, with an assisted sideloader which costs more.

How airfreight is cubed out on both import and export

When moving goods via airfreight charges are based on weight versus volume, the airline will work out the total cubic measurement, per the following example;

My goods weigh 25kgs total and have the following dimensions

40 H x 110W x 80L cms
= 0.35 cubic metres

This is then converted using the following formula

0.35 cubic metres x 167 kgs
= 58.45 kgs

So the airline will use the volumed weight to charge you - not the actual. The principle behind this is that 1cbm of airfreight is equal to 167 kgs.

You will only be charged on actual when it is greater than the cubed amount.

Examples of duty and GST formulas

EXAMPLE – ESTIMATING IMPORT DUTY

Duty Formula: Duty is a particular % (depending on the commodity) of the FOB value, the FOB value being the cost of the goods + any other charges to get those goods onto a vessel once it has been converted into AUD.

Commodity:
Wooden Bed Frames

Commercial Invoice Total (cost of goods FOB value):
USD 20,000

Cost of Goods Converted to AUD using 0.82 exchange rate
USD 20,000 / 0.82 = AUD 24,390.24

Proposed Duty Rate:
5%

Duty Chargeable (estimate only):
5% of AUD 24,390.24 = AUD 1,219.51

EXAMPLE – ESTIMATING IMPORT GST

GST Formula: Worked out as 10% of the CIF value + the duty amount. The CIF value being the cost of goods + marine insurance + freight amount to Australia + duty.

Commodity:
Wooden Bed Frames

Commercial Invoice Total (cost of goods):
USD 20,000

Cost of Goods Converted to AUD using 0.82 exchange rate
AUD 24,390.24

Proposed Duty Rate:
5%

Duty Chargeable (estimate only):
5% of AUD 24,390.24 = AUD 1,219.51

Import GST Chargeable:
Cost of Goods AUD 24,390.24 + Marine Insurance AUD 300.00 + Ocean Freight converted to AUD 2980.00 + Duty AUD 1,219.51 = AUD 28,889.75

10% of AUD 28,889.75 = AUD 2,888.98

In Summary, always think of the following

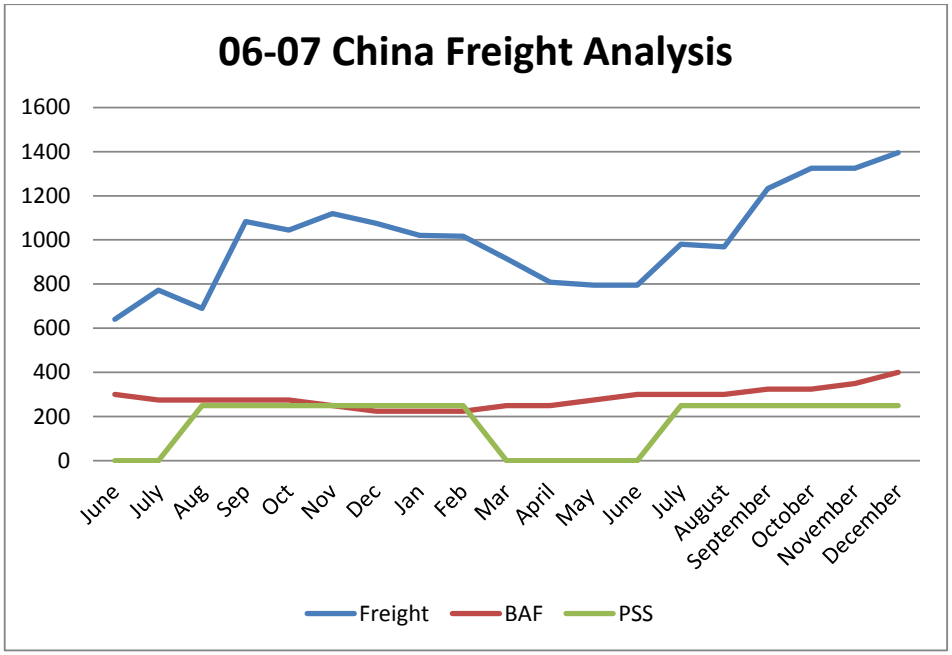
- Supplier guarantee and/or distributorship
- Product Safety
- AQIS requirements
- Don't forget to cost in duty, GST and currency fluctuations
- Fluctuation on freight pricing throughout peak periods of a year
- Permit requirements
- Cash flow and GST deferral

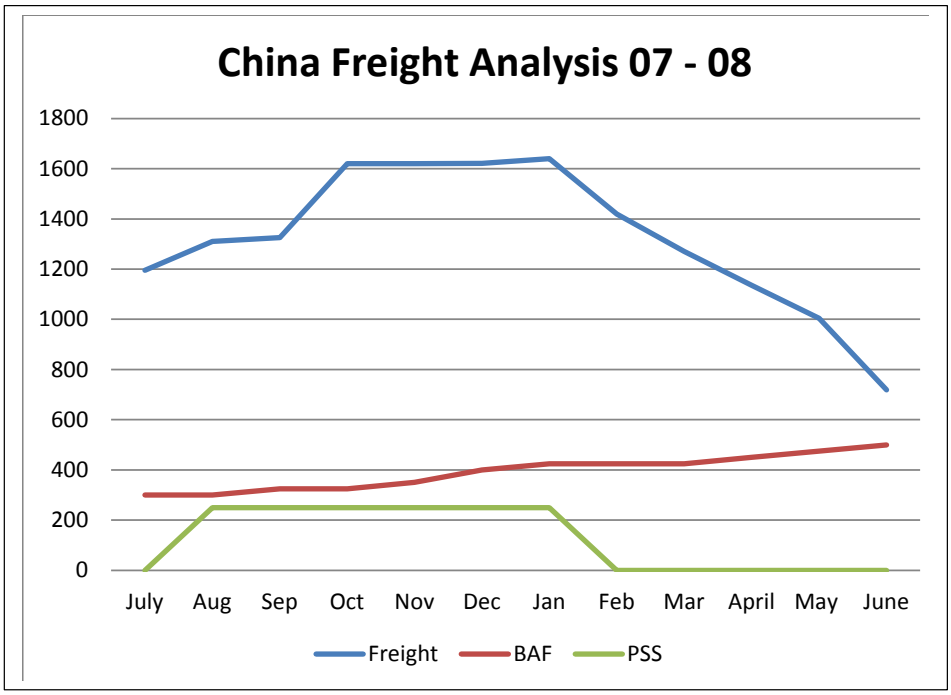
OTHER WAYS WE HELP NEW IMPORTERS

We are happy to advertise our new importers to our listed database of current and prospective clients through 'Our new importer of the Month' program. We will also promote your new business through our social media networks (e.g. Facebook) to assist you with building market awareness.

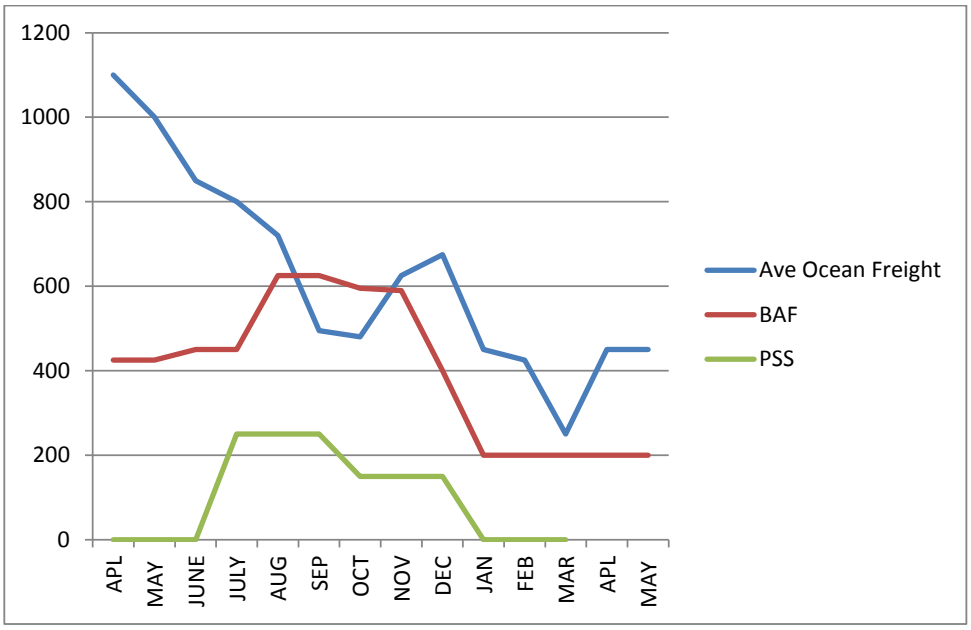
Ongoing Freight Analysis

All international trade involves outside influences which will impact the cost to move cargo throughout the year. To give you an example of how certain things, such as the world economy, consumer confidence, fuel costs and supply and demand affect your pricing, we have graphed the 20'GP Sea freight pricing costs including the fuel component out of China for your interest and consideration.

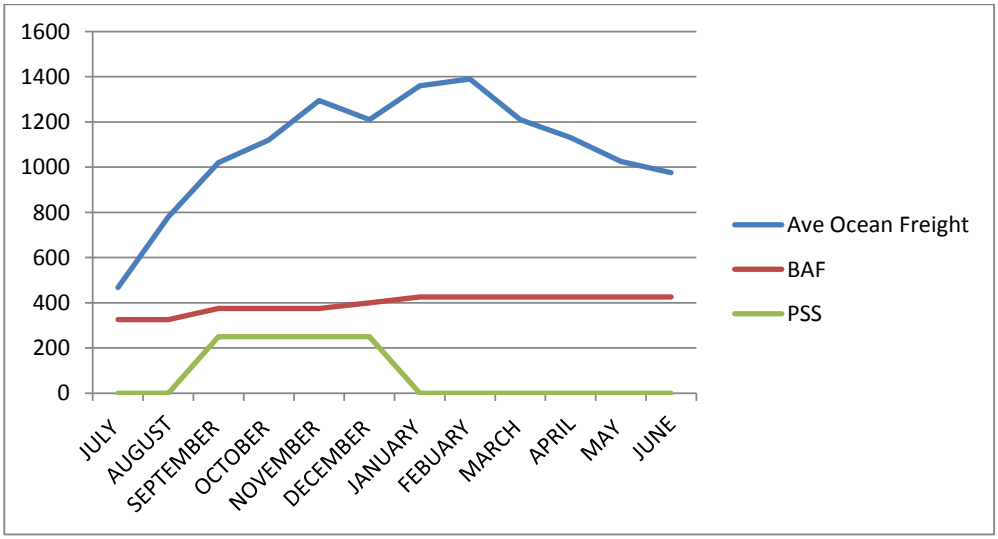




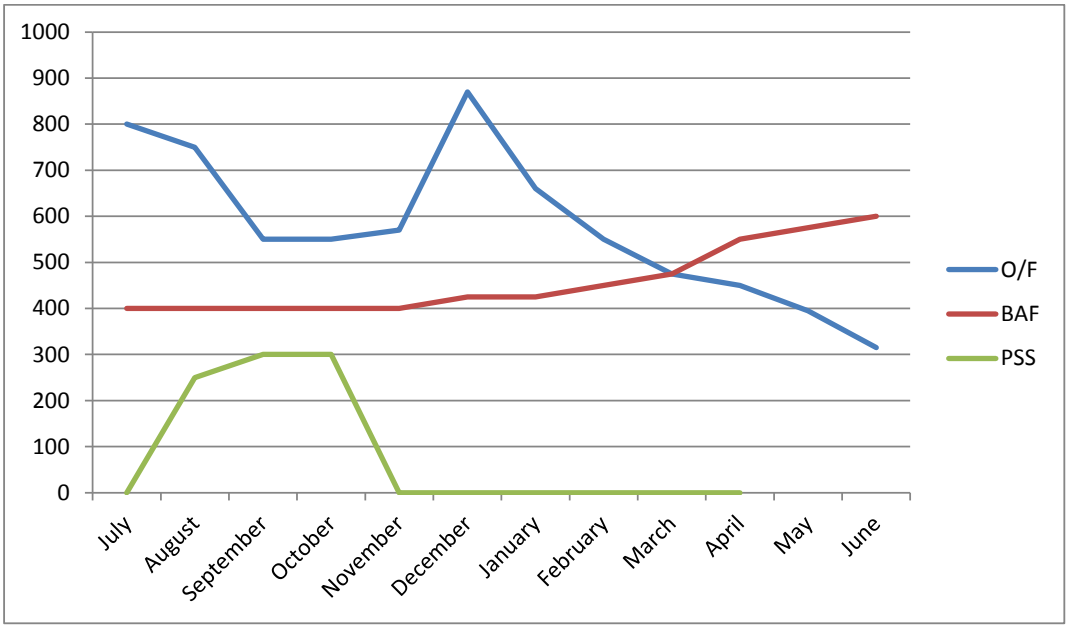
08-09 Financial Year (GFC)



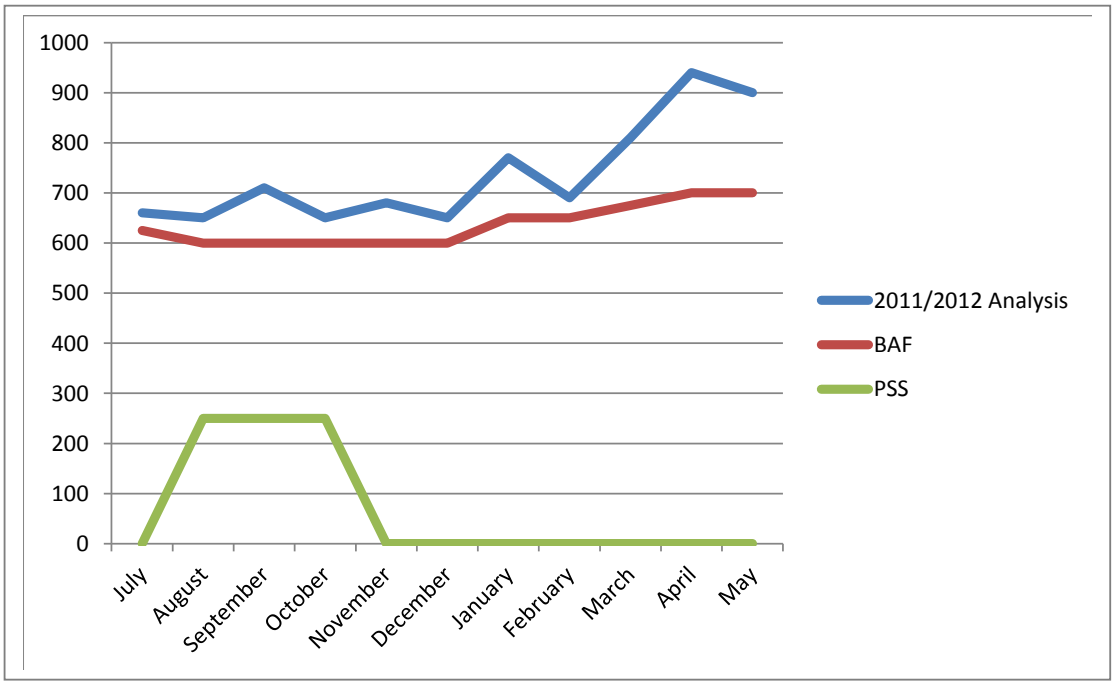
09-10 Financial Year (Recovery)

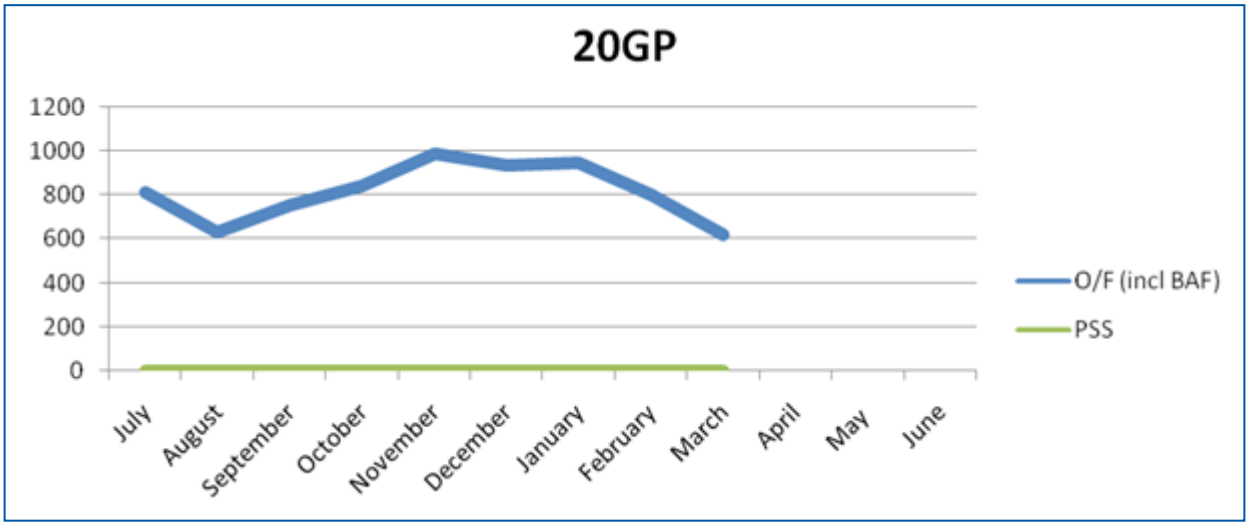


10-11 Financial Year (Fuel Crisis)



11-12 Financial Year (No consumer Confidence)

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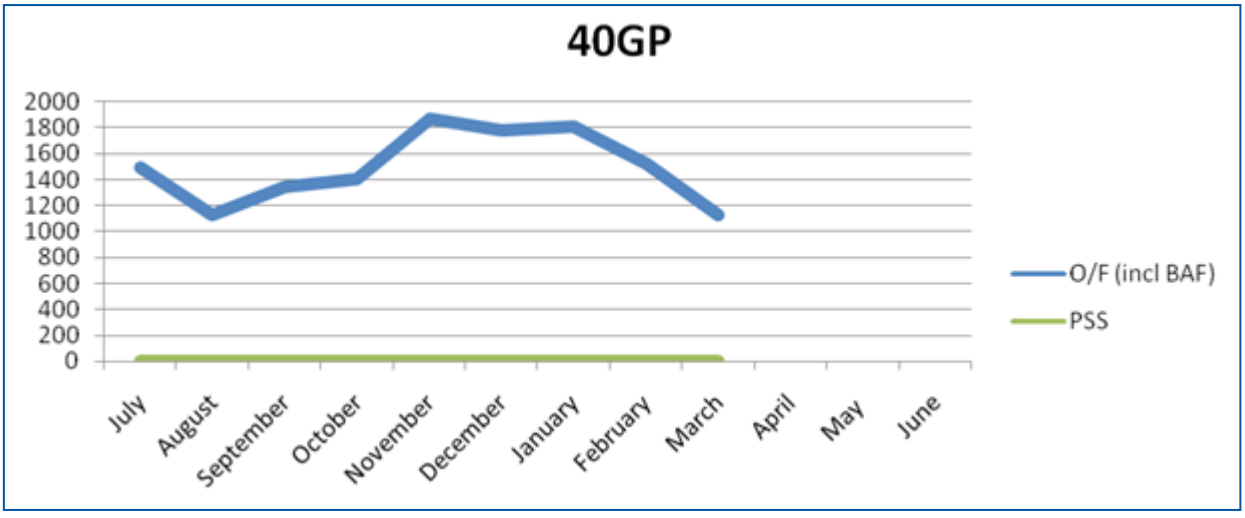
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O/F (incl BAF)
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